



OFFICE OF PUBLIC SCHOOL CONSTRUCTION

Interagency Support Division

1130 K Street, Suite 400 • Sacramento, California 95814 • (916) 445-3160

Date: January 5, 2000 Mass Mailer #00-01

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD
AND OTHER PERTINENT INFORMATION**

On December 8, 1999, the State Allocation Board (SAB) apportioned \$134.8 million for School Facility Program (SFP) projects, \$2.1 million for Lease-Purchase Program (LPP) projects, and \$2.1 million for Deferred Maintenance Program critical hardship projects.

Consent Calendar

The cost indices under the LPP for the Class B and D construction increased from 1.35 to 1.36, effective November 1, 1999 and increased from 1.36 to 1.37, effective December 1, 1999. The cost indices for Furniture/Equipment and Historical Savings remained unchanged for both November and December 1999.

The consent agenda included LPP bid approvals and ongoing project cost increases. In addition to the funds apportioned as noted above, the SAB also made "unfunded" approvals for modernization projects in the amount of approximately \$150 million. Currently, there are projects totaling approximately \$370 million on the modernization "unfunded" list.

Status of Funds

The balances available from Proposition 1A funds until July 2000, are \$369.2 million for new construction, \$7.4 million for modernization, \$163.2 for hardship, and \$244.1 million for class size reduction. There is approximately \$49 million remaining in prior bond funds in the LPP to address ongoing project costs, bid approvals, and the Northridge Earthquake Program.

Force Account Labor Under the SFP

The SAB adopted an amendment to the SFP Regulations to clarify that expenditures made by districts utilizing "force account labor" are eligible under the SFP as long as the district complies with the Public Contract Code regarding all laws governing the use of force account labor. The Office of Public School Construction (OPSC) is revising the *Fund Release Authorization* (Form SAB 50-05) and the *Expenditure Report* (Form SAB 50-06) to address the use of district force account labor.

Multitrack Year-Round Education Adjustments

The SAB approved a proposed amendment to its regulations regarding the application of the multitrack year-round education (MYTRE) adjustment for high school districts. The proposed change is six percent of the capacity of the high school district if filing districtwide or six percent of the district's capacity of the high school attendance area (HSAA) when the district is filing on a HSAA basis. The SAB approval was subject to passage of legislation that supports the proposed amendment.

Use of New Construction Grants

The SAB approved an amendment to the SFP Regulations that will allow a district to use new construction SFP grant eligibility:

- That exceeds the pupil capacity in the project.
- That was generated at a different grade level than the proposed project, provided the district use all new construction grant eligibility at the project grade level first, then all eligibility at the lowest grade level other than the proposed project and finally at the next highest grade level other than the proposed project.

If a district intends on using its new construction grants based on one or both of the above conditions, the district must submit a school board resolution, which includes all the following:

- A plan that describes how the district has or will adequately house the pupils receiving grants beyond the capacity of the project or at a grade level other than the proposed project.
- Acknowledgement that funds for the purpose of housing pupils are being diverted to an alternative use.
- Acknowledgement that the State has satisfied its obligation to house the pupils receiving grants.

The plan described in the school board resolution must be submitted to both the OPSC and the California Department of Education (CDE) for review and approval. If the plan is approved by both the OPSC and CDE, the districts' request will be presented for approval on the consent calendar as long as the request is for new construction grants at the same grade level of the project and the grant request does not exceed 150 percent of the capacity of the project. All other requests of this nature may be presented to the SAB on a case-by-case basis.

Other Issues

- Education Code (EC) Section 17076.11, which became law on January 1, 2000, requires districts using funds allocated pursuant to the SFP for the construction or modernization of a school building to have a participation goal of at least three percent, per year, of the overall dollar amount expended each year by the school district, for Disabled Veteran Business Enterprises (DVBE).

Districts are advised that the *Application for Funding*, Form SAB 50-04 includes a certification section whereby the district certifies that it will comply with all laws pertaining to the construction or modernization of its school buildings. This section includes compliance with EC Section 17076.11 beginning January 1, 2000. Districts should seek advice from district's legal counsel regarding compliance with the DVBE provisions. The OPSC will be unable to provide assistance or advice on the procedures districts must use to comply with the law.

EC Section 17070.85 invalidated liens previously filed by the State on property of school districts previously participating in certain State school building facility programs. The OPSC has sent a Notification of Lien Release document to all affected school districts and county superintendents of schools. Further action is required by those districts and county superintendents. The District or COE must send the Notification of Lien Release to the county recorder for recordation to remove the State's lien. To date, only one half of the lien release certificates have been recorded with the county. Districts are encouraged

to complete the necessary filing in order to completely clear the State liens. For specific information regarding lien releases, please contact Bryan Breaks, Audit Supervisor, at bbreaks@dgs.ca.gov or (916) 445-3156.

- On September 22, 1999, the SAB approved the Interim Financing Program to provide interim financing for "unfunded" modernization projects eligible for State funding under the SFP. The OPSC advisory letter dated October 21, 1999, indicated that any interim financing costs associated with this program were the responsibility of the district and not reimbursable under the SFP. Recently, the OPSC received a clarification of the SAB action. These interim financing costs are reimbursable under the SFP, but only from savings in the SFP project. Since savings on financial hardship projects must be used to reduce the State apportionment, interim financing costs on these projects are not eligible for reimbursement. Additionally, no additional funding or allowances is provided for purposes of these expenditures. For specific information regarding the Interim Financing Program for modernization projects, please contact Lisa Presta, Executive Director, CSFA, at lpresta@treasurer.ca.gov, (916) 653-2913 or (213) 620-4467.
- The OPSC has been advised that many district representatives believe the 60 percent commensurate test required on funding applications mean the district need only spend 60 percent of the grant funds and appropriate district matching share contribution on the project. The remaining 40 percent can then be declared savings and used on other high priority capital facility projects of the district.

This is not the case as the 60 percent commensurate certification is based solely on the estimated construction costs of the work in the plans and specifications including deferred construction items and interim housing relating the proposed project. The SFP grant and the appropriate district matching share are also used to fund other costs of the project such as planning, tests, inspection and furniture/equipment. Any project savings remaining after the completion of the entire project, including these items may then be declared "savings" and used as outlined in the SFP regulations.

- Please note that a district's approval for financial hardship by the OPSC is valid for six months from the date of the approval letter. During this period, the district may file applications for funding for those projects covered in the approval letter only. If the district wishes to file funding applications for project(s) not included in the approval letter, the district must first submit a new Financial Hardship Project Worksheet and an expenditure report for each new project to the OPSC. The OPSC Fiscal Section will review the additional data and issue a new approval letter based on the data submitted. After the six months expires, the district must file a complete new financial hardship package.

Copies of the applicable SAB actions can be found on the OPSC Web site at <http://www.opsc.dgs.ca.gov>. Should you have questions or need any additional information regarding the contents of this letter, please contact your project manager.

Sincerely,

LUISA M. PARK
Interim Executive Officer
Office of Public School Construction
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Advisory Actions . . .

Department of General Services
Office of Public School Construction

February 2000
Issue 00 - 02

Premier Issue



The Office of Public School Construction (OPSC) has changed the Advisory Letter format from letter style to this colorful mailer format.

You will continue to receive all the information regarding recent board actions as before and it will be available on the OPSC Web site at:

www.dgs.ca.gov/opsc

We encourage you to share this mailer with your board members and superintendents. My staff and I welcome any comments or questions regarding this new look.

Sincerely,

Luisa M. Park
Interim Executive Officer,
Office of Public School Construction

School Facility Program Grants

The State Allocation Board (SAB) approved an adjustment in the School Facility Program (SFP) grants as provided by law based on the change in the Class B Construction Cost Index from January, 1999 to January, 2000. The change represented an increase in the grant amounts of 4.58 percent and shall apply to all SFP applications approved for funding on or after January 1, 2000. All applications presented to the SAB for funding approval on this agenda included this adjustment. The OPSC is in the process of adjusting the "unfunded" list for modernization projects.

Annual adjustment to School Facility Grant amount

New Construction - elementary	\$5,480
New Construction - middle	\$5,796
New Construction - high	\$7,587
Modernization - elementary	\$2,367
Modernization - middle	\$2,504
Modernization - high	\$3,278

SFP Priority Points

In accordance with provisions of Assembly Bill 562, the SAB addressed the issue regarding the implementation of priority points for new construction projects. Education Section 17072.25 requires the SAB to implement a priority point mechanism when all SFP applications ready for funding exceed the funds available for that purpose. Further, the SFP regulations provide that when this priority point mechanism is in effect, the SAB shall approve new construction projects based on the highest number of priority points assigned to each project.

Since all SFP applications ready for funding, including the modernization projects on the "unfunded" list, exceed available funding, the SAB is required to implement this priority point mechanism, even though the funding available for new construction projects still exceeds the new construction projects ready for apportionment. The SAB had sufficient funds to allocate to all new construction funding requests, therefore, it approved all new construction funding applications, regardless of priority points, but directed the OPSC to develop regulations that address the SAB's authority to approve applications under these circumstances.

The OPSC has developed proposals to address this issue which will be discussed by the SAB Implementation Committee on February 11, 2000. It is anticipated that proposed regulations regarding this issue will be presented to the SAB for consideration of approval at the meeting scheduled for February or March 2000.

Regulation Changes for New Legislation

The SAB adopted proposed amendments to the regulations that administer the SFP as a result of new legislation that became effective January 1, 2000. The SAB adopted these regulations and authorized the OPSC to begin the regulatory process with the Office of Administrative Law. It is anticipated that these regulations will become effective sometime in May 2000.

Please note that these proposed regulations did not address the issue of priority points or the issue of loading and funding for special day class (SDC) pupils. In addition to the priority point issue, the OPSC has developed proposed regulations regarding the loading and funding for SDC pupils which will also be discussed by the SAB Implementation Committee on February 11, 2000. It is anticipated that regulations regarding SDC pupils will be presented to the SAB for consideration of approval no later than March 2000.

Prop 1A - Status of Funds

The balances available from Proposition 1A funds until July 2000 are approximately \$310 million for new construction, \$8 million for modernization, \$141 million for hardship, and \$242 million for class size reduction. There is approximately \$52 million remaining in prior bond funds in the Lease-Purchase Program (LPP) to address ongoing project costs, bid approvals, and the Northridge Earthquake Program.

On January 26, 2000 the SAB apportioned approximately \$83 million for the SFP projects, \$2 million for LPP projects, and \$6 million for Deferred Maintenance Program critical hardship projects.

Program	Funds Available as of 12/8/99	Apportionments	Balance Available
Proposition 1A			
New Construction	\$369.2	\$59.8	\$309.4
Modernization	7.4	.3	7.7
Hardship	163.2	21.8	141.4
Class Size Reduction	244.1	2.5	241.6
SUBTOTAL	\$783.9	\$83.8	\$700.1
Priority Bond Funds			
Contingency Reserves	\$47.2	\$5.0	\$52.2
Northridge Earthquake	1.8	-0-	1.8
SUBTOTAL	\$49.0	\$5.0	\$54.0
GRAND TOTAL	\$832.9	\$78.8	\$754.1

Developer Fee Adjustments

The SAB approved an adjustment in the developer fees, effective January 26, 2000, pursuant to Government Code Section 65995(b)(3) which provides that the maximum developer fee be adjusted every two years by the change in the Class B Construction Cost Index. The residential maximum fee increased from \$1.93 to \$2.05 and the commercial/industrial maximum fee increased from \$.31 to \$.33.

Lease Purchase Program Construction Cost Index for January 2000	
B	1.37
D	1.38
F & E	1.37
HSI	6.21

Revised CSR Spending Plan

The SAB approved a revised Class Size Reduction (CSR) spending plan that excluded funding for replacement of displaced facilities. The SAB also transferred approximately \$2.4 million to the California Department of Education (CDE) to fund certain districts eligible for CSR funds. For specific information regarding CSR programs, please contact Fred Yeager, Consultant with the CDE, at (916) 327-7148.

Cost Containment Guidelines

The OPSC has contracted with Vanir Construction Management to develop cost containment guidelines as required by Senate Bill 50. The OPSC and Vanir have developed an aggressive schedule to complete the cost containment guidelines for presentation at the March 2000 SAB meeting.

SFP grants on leased land

The OPSC will develop and present an item for future SAB consideration on how to process and administer this type of application.

Copies of the applicable SAB actions can be found on the OPSC Web site at www.opsc.dgs.ca.gov. Should you have questions or need any additional information regarding the contents of this letter, please contact your project manager.





Advisory Actions 2000

Department of General Services
Office of Public School Construction

February 23, 2000 - Issue 03
State Allocation Board Meeting

Executive Corner

The Office of Public School Construction (OPSC) is pleased to announce the publication of the School Facility Program (SFP) Guidebook to assist school districts in applying for and obtaining "grant" funds for the new construction and modernization of schools under the provisions of the Leroy F. Greene School Facilities Act of 1998. It is a simplified guide providing an overview of how a district or county superintendent of schools becomes eligible and applies for State funding.



The new SFP Guidebook is now available on the OPSC Web site at www.dgs.ca.gov/opsc.

We encourage you to share this information with all your school facilities representatives and board members, along with any comments or questions you may have regarding its content.

Sincerely,

Luisa M. Park
Interim Executive Officer
Office of Public School Construction

SFP Time Limits on Apportionment

The State Allocation Board (SAB) began allocating Proposition 1A funds in January 1999 for new construction and modernization SFP projects. Once funds are allocated under the SFP, the district has 18 months to certify its matching share is available and that at least 50 percent of the project is under contract for the construction or modernization of the facility. This certification is made on the *Fund Release Authorization*, (Form SAB 50-05). Please be reminded that if your district cannot make this certification, the apportionment for the project is automatically rescinded without further action by the SAB. For specific information regarding this certification, please contact Della Casey, OPSC Fiscal Team, at della.casey@dgs.ca.gov or (916) 445-3269

Expediting School Construction in Small School Districts

The OPSC and the Small School Districts Association, in cooperation with the Division of the State Architect (DSA), the California Department of Education (CDE), and the Coalition for Adequate School Housing (C.A.S.H.) co-sponsored a statewide workshop for small school district and county offices. The workshop was held on March 6th and 7th, 2000 in Sacramento.

Small school districts in California, defined as districts which have an enrollment of 2,500 students or less, account for over 60 percent of California's approximate 1,000 districts. Although these districts have many of the same school facility needs as larger districts, they are often at a disadvantage because of limited staff, geographical isolation, and small budgets. This workshop provided the administration staff of small school districts with current information about State law and regulations governing the construction and funding of new classrooms and the modernization of older facilities. For further information about this program, please contact Steve Paul at (916) 322-1838.

Prototype School Designs

In May of 1999, the State Allocation Board approved the OPSC proposal to create a catalogue of school plans. The catalogue is now available on the internet and will contain a thumb nail sketch of selected schools and school facility components built in California in the last two years that are already approved by the DSA and the CDE. A prototype of the Web site to accomplish this task has been developed and can be found at www.opsc.dgs.ca.gov/planupload/.

Architects and building manufacturers are invited to participate by submitting information about their projects. A submittal guide can be found at the above Web address that details the specific submittal requirements. The information posted for each school include a site plan, floor plan, three or four photographs, and a summary of vital information about the school including the cost of construction, capacity and square footage. The OPSC looks forward to receiving submittals to further develop this comprehensive Web site database and solicit district support in encouraging client architects to participate.

Cost Containment Guidelines

The governing law of the SFP provides for the SAB to adopt guidelines for use by districts to achieve measurable reductions in the costs of school facilities construction. The proposed cost containment guidebook has been developed based on a series of statewide workshops and represents a “cookbook” of ideas designed to offer more cost effective means to provide school facilities. It shall be presented as an information item at the March 2000 SAB meeting and for approval and adoption at the April 2000 SAB meeting.

Status of Funds

Program	Funds Available as of 1/26/00	Apportionments	Balance Available
Proposition 1A			
New Construction	\$309.4	\$37.6	\$271.8
Modernization	\$7.7	-0-	7.7
Hardship	\$141.4	9.4	132.0
Class Size Reduction	\$241.6	-0-	241.6
SUBTOTAL	\$700.1	\$47.0	\$653.1
Priority Bond Funds			
Contingency Reserves	\$52.2	\$2.1	\$54.3
Northridge Earthquake	\$1.8	-0-	1.8
SUBTOTAL	\$54.0	\$2.1	\$56.1
GRAND TOTAL	\$754.1	\$44.9	\$709.2

Note: The SAB funded \$100,000 for Deferred Maintenance Program critical hardship projects.

Construction Cost Indices

Lease Purchase Program Construction Cost Indices for February 2000	
B	1.38
D	1.38
F & E	1.37
HSI	5.25

Public Comment Period for Proposed Regulations - (AB695, AB387 and other Legislation)

The 45-day public comment period commenced on February 25, 2000 for the proposed SFP Regulations adopted by the SAB on January 26, 2000. Written comments must be received by the OPSC no later than April 10, 2000, at 5:00 p.m. For further information regarding the public comment period, please refer to the February 25, 2000 Notice of Proposed Regulatory Action that was previously sent to all districts and county superintendents of schools. For specific information regarding the Notice of Proposed Regulatory Action, please contact Lisa Jones, Regulations Coordinator, at lisa.jones@dgs.ca.gov or (916) 322-1043.

Follow up to SAB Regulation Adoption for New Legislation

In response to testimony, the SAB requested that the OPSC meet with the SAB Implementation Committee relating to a limit on oversight fees charged by the Department of Toxic Substances Control in Assembly Bill (AB) 387. This meeting did occur and in light of correspondence from the bill’s author supporting the SAB’s regulations as adopted on January 26, 2000, the Committee did not recommend any further changes regarding this particular issue.

SFP Priority Points

As directed by the SAB at its January 2000 meeting, the OPSC has drafted regulations relating to AB 562 and the issue of priority points. A final discussion regarding the regulation language is scheduled for the March 10, 2000 SAB Implementation Committee meeting with the intention of presenting a final recommendation to the SAB on March 22, 2000.

Copies of the applicable SAB actions and additional information can be located on the OPSC Web site at www.dgs.ca.gov/opsc. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



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(916) 445-3160



Advisory Actions 2000

Department of General Services
Office of Public School Construction

March 22, 2000 - Issue 04
State Allocation Board Meeting

Executive Corner

The Office of Public School Construction (OPSC) is pleased to announce that the proposed Cost Reduction Guidelines are available for viewing on the OPSC Web site at www.opsc.dgs.ca.gov. Comments from districts and other interested parties are encouraged. If you have comments, please submit them by April 14, 2000. The guidelines will be presented for approval and adoption at the April 2000 State Allocation Board (SAB) meeting.



Sincerely,

Luisa M. Park
Interim Executive Officer
Office of Public School Construction

School Facility Program (SFP) Time Limits on Apportionment

Districts are reminded that once funds are allocated under the SFP, the district has 18 months to certify that at least 50 percent of the project is under contract for the construction or modernization of the facility *and* its matching share has either:

- Been deposited in the County School Facility Fund.
- Has already been expended by the district for the project.
- Will be expended by the district prior to the Notice of Completion for the project.

This certification is made on the *Fund Release Authorization*, Form SAB 50-05. It is important to note that if your district cannot make this certification within the 18-month period, the apportionment for the project is automatically rescinded without further action by the SAB. Affected school districts will receive a separate courtesy reminder notification. For specific information regarding this certification, please contact Della Casey, OPSC Fiscal Team, at dcasey@dgs.ca.gov or (916) 445-3269.

SFP Priority Points

The SAB adopted proposed amendments to the SFP Regulations relating to priority points for new construction projects and directed the OPSC to begin the regulation process with the Office of Administrative Law. The primary changes are summarized as follows:

SFP Regulation Section 1859.91, Implementation of Priority Points Due to Insufficient State Funds

- Priority Points are instituted when either occurs:
 - ❖ State funds available for new construction and modernization grant requests are insufficient to fund both new construction and modernization grant requests ready for apportionment.
 - ❖ State funds available for new construction grant requests on or after July 1, 2000, are \$300 million or less.
- When priority points are “triggered”, new construction projects shall be funded in priority point order until there is less than \$300 million in available funding for new construction grants.
- At that point, the SAB will continue funding in priority point order, but may adopt a priority point threshold for new construction grant requests at its discretion. In that case, projects below the threshold would be placed on an “unfunded” list.
- The SAB notification to the Legislature, which is a required component to assess level three developer fees, is made only when all new construction funds available exceed all new construction grant requests ready for apportionment.

SFP Regulation Section 1859.95, Acceptance of Applications When Funding is Unavailable

- Projects placed on an “unfunded” list are not required to re-establish eligibility for that project.
- New construction projects placed on an “unfunded” list are eligible for reimbursement, subject to adjustments for certain level three developer fees.



Minimal Requests for Modernization Grants

The SAB held over action for several modernization applications in which the district filed a funding application for only a fraction of the overall modernization eligibility for the school site. It is anticipated that a proposed regulation will be presented at the April SAB meeting to address this issue and these applications.

Lease-Purchase Program (LPP) Funding Availability

The SAB directed the OPSC to prepare a projection of the funds that will be recovered from LPP project budget approvals and closeouts and to develop alternatives for possible uses for these funds. It is anticipated that an item will be taken to the May 24, 2000 SAB meeting to present possible funding alternatives, to include options such as:

- Joint-Use.
- Environmental Mitigation.
- Implementation of Assembly Bill 191 which authorizes the SAB to approve projects under the LPP for the construction of either a gymnasium or multipurpose room on a site where the district has constructed other facilities on that site within the previous two years with local funding.
- Proposed legislation authorizing additional uses.

Public Comment Period for Proposed Regulation changes

Written comments, in response to the 45-day public comment period for the proposed SFP regulations approved by the SAB on January 26, 2000, must be received at the OPSC no later than April 10, 2000, at 5:00 p.m. For further information regarding the public comment period, please refer to the February 25, 2000 Notice of Proposed Regulatory Action that was previously sent to all districts and county superintendents of schools. For specific information regarding the Notice of Proposed Regulatory Action, please contact Lisa Jones, Regulations Coordinator, at ljones@dgs.ca.gov or (916) 322-1043.

Copies of the applicable SAB actions, proposed regulations and additional information can be located on the OPSC Web site at www.opsc.dgs.ca.gov. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.

Status of Funds

Program	Funds Available as of 2/26/00	Apportionments and Adjustments	Balance Available
Proposition 1A			
New Construction	\$271.8	-\$63.5	\$208.3
Modernization	\$7.7	.8	8.5
Hardship	\$132.0	-35.5	96.5
Class Size Reduction	\$241.6	-0-	241.6
SUBTOTAL	\$653.1	-\$98.2	\$554.9
Priority Bond Funds			
Contingency Reserves	\$54.3	2.3	\$56.6
Northridge Earthquake	\$1.8	-0-	1.8
SUBTOTAL	\$56.1	2.3	\$58.4
GRAND TOTAL	\$709.2	-\$95.9	\$613.3

Note: The SAB funded \$600,000 for Deferred Maintenance Program critical hardship projects.

Construction Cost Indices

Lease Purchase Program Construction Cost Indices for February 2000	
B	1.38
D	1.39
F & E	1.37
HSI	5.25

Copies of the applicable SAB actions and additional information can be located on the OPSC Web site at www.dgs.ca.gov/opsc. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



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Advisory Actions 2000

Department of General Services
Office of Public School Construction

April 26, 2000 - Issue 05
State Allocation Board Meeting

Executive Corner

It is with delight that the Office of Public School Construction (OPSC) announces the May 2000 release of The OPSC Greatest Bytes Volume I filled with many useful resources for your State Allocation Board (SAB) school facilities needs. This CD-ROM contains up-to-date SAB and OPSC resources such as: Public School Construction Cost Reduction Guidelines; Deferred Maintenance Program Handbook and Forms; Disabled Veteran Business Enterprises Handbook and Forms for the Lease-Purchase Program; School Facility Program Guidebook, Forms and Regulations; State Relocatable Classroom Program Handbook and Forms; Unused Sites Program Handbook and Forms and the OPSC Directory of Services.



We will be mailing The OPSC Greatest Bytes Volume I to each school district and county superintendent of schools this month. Be on the lookout for your copy! Districts may also access these individual resources now on the OPSC Web site at www.opsc.dgs.ca.gov.

Sincerely,

Luisa M. Park
Interim Executive Officer
Office of Public School Construction

Pending Litigation

It is important that districts are aware of pending litigation in which the plaintiffs are requesting a temporary restraining order that could suspend the Board's authority to make new construction apportionments for an unknown period of time. Districts preparing to enter into construction commitments with the anticipation of a future SAB apportionment should consult its legal counsel.

Status of Modernization Funds

The second cycle of Proposition 1A modernization funding, due to become available in July of this year, is anticipated to be apportioned to modernization projects already waiting on an "unfunded" approval list. However, districts are strongly encouraged to continue making application for modernization funds to clearly demonstrate the ongoing need for modernization statewide and for the districts' advantage to position itself "in line" at the earliest possible date for possible future funding.

Applications Filed Based on Effective Regulation Amendments

Districts are reminded that it can only file an application based on regulation amendments when the specific provision has been finalized in regulation and become effective. Applications that include provisions that are not yet effective for proposed regulation amendments shall be deemed incomplete and returned to the districts.

Educational Technology for Grandfathered Lease-Purchase Program (LPP) Projects Funded with Proposition 1A

Districts are advised that the educational technology project allowance for grandfathered LPP projects funded with Proposition 1A funds may be utilized for wiring, cabling, power upgrades and hardware; such as computers, printers and servers.

Amendments to the School Facility Program (SFP) Regulations

The SAB adopted amendments to the SFP Regulations and directed the OPSC to begin the regulation process with the Office of Administrative Law. The amendments are summarized as follows:

- ✓ Minimal Requests for Modernization Grants, SFP Regulation Section 1859.79.3
 - Districts seeking modernization grants must apply for at least 101 grants, or the remaining modernization eligibility at the school site, if less than 101 grants. This criteria must be met for all modernization applications received by the OPSC after April 7, 2000. Eligible modernization grant requests received on or prior to April 7, 2000 will be processed for SAB approval, without regard to this criteria.
- ✓ Separate New Construction Design Apportionments, SFP Regulation Section 1859.81. The 20 percent amount intended to provide adequate planning funds for new construction projects for financial hardship districts has been deemed inadequate by the SAB. Therefore:
 - The SAB has increased the separate design apportionment to an amount up to 40 percent of the new construction grant.
 - The separate design apportionment provision for modernization projects will remain at up to 20 percent of the modernization grant.
 - The amount of the separate apportionment is an estimate of the funds needed for design, engineering and other pre-construction project costs.
 - Districts are cautioned that this increase to the separate design apportionment is *not* an overall increase to the project grant. As provided in regulation, this amount will be offset from the “full and final” new construction adjusted grant, and districts are responsible for budgeting the grant funds, as appropriate.
 - If a district received a previous separate

new construction design apportionment, the district may request an additional design apportionment for that project up to the 40 percent maximum design apportionment allowed; however, districts may not file an application for the additional 20 percent design funds for the new construction project until this provision has been finalized in regulation.

Annual Reporting of Unused Sites

On May 1, 2000, the OPSC mailed out the annual Certification of Unused Sites (Form SAB 423) and the Modification of Unused Sites Status (Form SAB 424). All districts are required to verify the information on Form SAB 423, sign it and return it to the OPSC, even if the district has no unused sites.

If a district has any changes to the data provided on Form SAB 423 (such as a new unused site, sold a site, request to have the fees waived or reduced), the district must complete Form SAB 424 for each unused site where a modification has taken place. Requests for waivers or fee reductions must be requested annually by submitting Form SAB 424 for each applicable site. These forms must be returned to the OPSC no later than July 5, 2000. If you have any questions, please contact Valerie Lane, Unused Sites Project Manager, at valerie.lane@dgs.ca.gov or (916) 324-4680 or Sally Lemenager, Unused Sites Project Manager, at sally.lemenager@dgs.ca.gov or (916) 323-0139.

Cost Reduction Guidelines

The OPSC is pleased to announce the SAB approval and availability of the Public School Construction Cost Reduction Guidelines. This resource has been developed to provide districts realistic and insightful help in achieving measurable reductions in the cost of school facilities construction. Districts may access the guidelines on the OPSC Web site at www.opsc.dgs.ca.gov, or later this month on your copy of The OPSC Greatest Bytes Volume I.

Class Size Reduction

The Board approved the California Department of Education's (CDE) request for a transfer of \$600,000 to the CDE to fund various districts with eligible Class Size Reduction (CSR) facilities for the 1998-99 Fiscal Year. It is anticipated that an item will be scheduled for the July 26, 2000 SAB meeting to present alternative uses for the balance of the CSR funding. For specific information regarding the CSR Programs, please contact Fred Yeager, Consultant with the CDE, at (916) 327-7148.

Response to Board's Directive

As directed by the SAB at its January 26, 2000 meeting, the OPSC presented a report to the SAB on several topics. The OPSC's response on each topic is summarized as follows:

- ✓ The timely submission of applications.
 - The OPSC continues participation in various conferences, seminars and workshops, with the primary focus on facilitating the timely submission of applications.
 - The OPSC has numerous resources available on the OPSC Web site that can assist districts in completing and filing timely applications for funding.
- ✓ Alternative priority point system.
 - Amendments to the SFP Regulations for an alternative new construction priority point system that allows the Board to consider thresholds for funding of new construction projects were adopted by the SAB on March 22, 2000.
- ✓ Reimbursements.
 - Amendments to the SFP Regulations to address the reimbursement of eligible SFP projects when funding is unavailable were adopted by the SAB on March 22, 2000.
- ✓ New construction survey.
 - The OPSC conducted a survey of the districts to determine the anticipated new construction projects to be submitted to the SAB for funding.
 - The results indicate a combined need of approximately \$6.4 billion in State and local funds for new construction within the next 30 months.
- ✓ Department of Toxic Substances Control (DTSC) expedited processing.
 - This issue will be presented at a future SAB meeting.

SFP New Construction Plans and Specifications/DSA Approval

Districts were previously advised that, prior to complete funding applications being accepted by OPSC, not only must the construction plans be approved by the Division of the State Architect (DSA) but manufactured relocatables must also have full DSA approval when included in the project. This requirement appears to have placed some districts in the position of having to commit to the purchase of the relocatables before receiving SAB grant approval. In a review of this interpretation, it was determined that the initial stamped DSA approval of the construction documents satisfies the requirement relating to the DSA approval of the relocatables in the plans as long as the plans indicate there has been or will be an incremental DSA approval of the relocatables.

As a result, the OPSC will accept as complete applications which include manufactured relocatable buildings as a part of a construction contract with the DSA approved plans and specifications, as long as the relocatable buildings have or will receive an incremental DSA approval. This acceptance is for purposes of processing the district's application; the District is still required to obtain the subsequent DSA final approval for the manufactured relocatable buildings, as appropriate.

Construction Cost Indices

Lease Purchase Program Construction Cost Indices for: April 2000			
B	D	F&E	HSI
1.38	1.39	1.37	5.10

Public Comment Period for Proposed Regulations

Written comments, in response to the 45-day public comment period for the proposed SFP regulations approved by the SAB on March 22, 2000 must be received at the OPSC no later than May 22, 2000, at 5:00 p.m. The proposed amendments to the regulations specifically address the implementation of priority points for the funding of new construction projects. For further information regarding the public comment period, please refer to the April 7, 2000 Notice of Proposed Regulatory Action that was previously sent to all districts and county superintendents of schools. For specific information regarding the Notice of Proposed Regulatory Action, please contact Lisa Jones, Regulations Coordinator, at ljones@dgs.ca.gov or (916) 322-1043.

Status of Funds

Program	Funds Available as of 3/22/00	Apportionments and Adjustments	Balance Available
Proposition 1A			
New Construction	208.3	-48.2	160.1
Modernization	8.5	0.3	8.8
Hardship	96.5	-28.0	68.5
Class Size Reduction	241.6	-0.6	241.0
SUBTOTAL	554.9	-76.5	478.4
Prior Bond Funds			
Contingency Reserves	56.6	2.8	59.4
Northridge Earthquake	1.8	0	1.8
SUBTOTAL	58.4	2.8	61.2
GRAND TOTAL	613.3	-73.7	539.6

Note: The SAB funded \$200,000 for Deferred Maintenance Program critical hardship "on going" projects.

The SAB also made "unfunded" approvals for SFP modernization projects in the amount of approximately \$169.6 million. Currently, there are projects totaling approximately \$995.2 million on the modernization "unfunded" list.

Copies of the applicable SAB actions, proposed regulations and additional information can be located on the OPSC Web site at www.opsc.dgs.ca.gov. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



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Advisory Actions 2000

Department of General Services
Office of Public School Construction

May 25, 2000 - Issue 06
State Allocation Board Meeting

Executive Corner

The June 28, 2000 State Allocation Board meeting has been postponed until July 5, 2000, in order to provide the Board with the opportunity to fund modernization projects with the second funding cycle of Proposition 1A. It is anticipated that the modernization projects ready for funding will completely exhaust the available modernization funds at that time.



Districts are strongly encouraged to continue making applications for modernization funds to clearly demonstrate the ongoing need for modernization funding statewide and for the districts' advantage to position itself "in line" at the earliest possible date for potential future funding.

Sincerely,

Luisa M. Park
Interim Executive Officer
Office of Public School Construction

Use of Surplus Prior Bond Funding

The SAB discussed alternative uses for surplus bond funds available from prior programs under the Lease-Purchase Program. In considering the use of these surplus bond funds, the SAB authorized up to \$20 million to implement AB 191. The OPSC will begin accepting applications immediately through September 30, 2000. The SAB supported funding minimal essential and joint-use facilities; however, legislation is required. The SAB expressed interest in developing legislative proposals that would enable the SAB to fund such facilities.

Proposition 1A/School Facility Program Accomplishments

The new School Facility Program (SFP) is the most successful State school-funding program in history. In less than eighteen months since the inception of this entirely new funding process, nearly \$2.9 billion from Proposition 1A funding has been made available to California public school districts for construction, modernization, and class size reduction. To date, over \$2.2 billion of these funds have been released and contracted which will house over 88,009 children in new facilities and will modernize classrooms for 349,324 children.

An additional \$1.2 billion in modernization applications have been included on "unfunded" information lists and are ready for allocation beginning July 1, 2000.

Activity continues in the program at an incredible rate. Based on the last six months of activity, the OPSC receives an average of 426 applications each month in the new construction and modernization programs.

Gymnasium and Multipurpose Funding (AB 191)

This policy provides assistance for districts to construct either a gymnasium or multipurpose room on a site, where the district constructed other facilities with local funding between September 30, 1996 and September 29, 1998. A separate letter will be sent to all school districts with more detailed information. For specific eligibility criteria, please refer to the AB 191 policy located on the OPSC Web site. For further information regarding this program, please contact Ms. Darlene Newman, OPSC Project Manager, at (916) 322-0387.

Correction to March 22, 2000 SAB Advisory Actions

In an article addressing School Facility Program priority points in the March 22, 2000 SAB Advisory Actions, a statement was inadvertently transposed. The correct statement reads as follows: "The SAB notification to the Legislature, which is a required component to assess level three developer fees, is made only when all new construction grant requests ready for apportionment exceed all new construction funds available."

Status of Funds

Program	Funds Available as of 4/26/00	Apportionments and Adjustments	Balance Available
Proposition 1A			
New Construction	160.1	-78.9	81.2
Modernization	8.8	1.5	10.3
Hardship	68.5	-39.8	28.7
Class Size Reduction	241.0	-3.5	237.5
SUBTOTAL	478.4	-120.7	357.7
Prior Bond Funds			
Contingency Reserves	59.4	-5.9	53.5
Northridge Earthquake	1.8	0	1.8
SUBTOTAL	61.2	-5.9	55.3
GRAND TOTAL	539.6	-126.6	413.0

Note: The SAB funded \$170,836 for Deferred Maintenance Program critical hardship “on-going” projects and \$160,447 for air-conditioning projects.

The SAB also made “unfunded” approvals for SFP modernization projects in the amount of approximately \$215.4 million. Currently, there are projects totaling approximately \$1.2 billion on the “unfunded” list.

Lease-Purchase Program Construction Cost Indices for May 2000			
B 1.38	D 1.39	F & E 1.37	HIS 5.10

Groundbreaking Ceremony

Mr. Ray Coco, Director of Facilities with Banning Unified School District presented a plaque to the OPSC from the Cabazon Elementary School groundbreaking ceremony on April 14, 2000. The District expressed their gratitude to OPSC for their assistance in the approval of the abandonment and replacement of the Cabazon Elementary School.



Don Hartin, Sandra Beane, Lauri Lathrop, Luisa Park, Ray Coco, Bruce Hancock and Phil Shearer

Class Size Reduction

The Board approved the California Department of Education’s (CDE) request for a transfer of \$3,520,000 to the CDE to fund various districts with eligible Class Size Reduction (CSR) facilities for the 1997-1998 and 1998-1999 Fiscal Years. Proposition 1A provided up to \$700 million for CSR, and at a prior meeting, the SAB set aside \$525 million of this amount for CSR purposes. It is anticipated that an item will be scheduled for the July 5, 2000 SAB meeting to present alternative uses for the remaining balance of CSR funding. For specific information regarding the CSR programs, please contact Fred Yaeger, Consultant with the CDE, at (916) 327-7148.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at www.opsc.dgs.ca.gov. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



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Advisory Actions 2000

Department of General Services
Office of Public School Construction

July 5, 2000 - Issue 07
State Allocation Board Meeting

Executive Corner

The OPSC is pleased to announce that at the July 5, 2000 State Allocation Board (SAB) meeting, the Board apportioned over \$1.3 billion in modernization funds and \$118 million in hardship funding for modernization projects, providing critical funding for the benefit of students across the State of California. Projects receiving the second cycle of Proposition 1A modernization funding had previously received "unfunded" approvals from May 1999 to May 2000, in addition to the applications processed in date received order for the July 5, 2000 SAB meeting.



Sincerely,

Luisa M. Park
Interim Executive Officer
Office of Public School Construction

Proposed Amendments to the School Facility Program (SFP) Regulations

The SAB adopted proposed amendments to the SFP Regulations and directed OPSC to begin the regulation process with the Office of Administrative Law (OAL). The proposed amendments are summarized as follows:

New School Additional Grant Offsets

SFP Regulation Section 1859.83(c)

- The SAB approved an amendment that would ensure that when a small new school excessive cost grant was provided at a specific school site, an offset of any future SFP grants for that same school would be made to assure the funding at that school would be the same as if it had all been constructed at one time.

Special Day Class (SDC) Loading and Funding

SFP Regulation Sections 1859.51, 1859.61, 1859.71.1, 1859.72, 1859.78.3 and 1859.107.

- Prior to recent legislation, there was no specific provision in the SFP regarding pupil loading standards for SDC pupils other than that previously provided for all pupils. As a result of the legislation, the SAB adopted new regulations regarding the loading and funding for SDC pupils on an emergency basis, which are anticipated to be effective by July 20, 2000. Specific information on the proposed regulation changes can be found on the OPSC Web site:

<http://www.dgs.ca.gov/opsc>

In addition, the Interim Executive Officer reported to the SAB on SFP Regulation updates as follows:

January 2000 and Special Day Class SFP Regulation Tracks

- The January 2000 track of the SFP Regulations has been approved by the OAL and filed with the Secretary of State. This regulation track was primarily a result of the implementation of new legislation; Assembly Bill (AB) 387 and AB 695. A complete application package, which combines both the January 2000 track and Special Day Class Loading and Funding emergency regulations, is anticipated to be available by July 20, 2000.

Proposed Regulations for AB 562, Priority Points

- The proposed regulations for the implementation for AB 562, Priority Points, have been withdrawn from the OAL. It is anticipated that revisions to these regulations will be presented to the SAB at its August 23, 2000 meeting.

Modernization Plans and Specifications Certification

To ensure equitable processing of all modernization funding applications and to address concerns related to the current application process for projects that have not been reviewed by the Division of the State Architect, the SAB has approved the following actions:

1. Modernization funding applications will continue to be accepted by the OPSC, but processing to the SAB for placement on an "unfunded" list is suspended at this time.
2. Staff has been directed to review the current regulations and administrative processes and to make recommendations for change where necessary.
3. All districts with modernization funding applications on file in the current workload, and all districts which submit applications during this interim period of review, are advised that although their applications have been accepted, they will be processed to the SAB only after this regulation and process review is complete and only under regulations and administrative processes as amended.

State Relocatable Program

The SAB authorized the purchase of 400 additional relocatable classrooms to address some of the current year's need for state relocatable classrooms and to provide a small emergency inventory. For information on the State Relocatable Classroom Program, please contact Richard Sheffield, Supervisor, at (916) 322-0329, or e-mail richard.sheffield@dgs.ca.gov.

Class Size Reduction

The SAB approved a revised spending plan of \$501 million for CSR applications which were received by July 3, 2000. For specific information regarding the CSR programs, please contact Fred Yeager, consultant with the CDE, at (916) 327-7148.

Interim Financing Program has Ended

The State Treasurer's office has notified the OPSC that it has discontinued its Interim Financing ("Smart Bonds") Program for "unfunded" modernization projects. This program had provided interim funding until the July 1, 2000 Proposition 1A funds became available. Since all modernization category funds have been apportioned from the second Proposition 1A cycle and no future revenue stream is currently identified, this program is no longer available. For specific information regarding previous approvals under this program, please contact Lisa Presta, Executive Director, California School Finance Authority, at (916) 653-2913 or (213) 393-7577 or lisa.presta@treasurer.ca.gov.

Environmental Mitigation Site Acquisition

The SAB directed the OPSC to develop proposed SFP Regulation amendments to permit districts to receive SAB apportionments for agency-mandated purchases of the environmental mitigation parcels in connection with site acquisition for a new school, but only to the extent and size legally required as a condition for the purchase of the school site. The SAB affirmed that these limited conditions are also applicable to site acquisitions approved by the SAB under the Lease-Purchase Program.

Building Age Determination for Modernization Eligibility

The SAB adopted criteria for the determination of a building's age for purposes of qualifying for modernization funding. The start of the 20 (portable) and 25 (permanent) year period will be based on the date the plans for the building were approved by the Division of the State Architect, plus 18 months. If prior OPSC determination has been made that a building meets the age threshold for purposes of modernization eligibility, the age of the building will not be re-evaluated.



The Cinnamon Elementary School groundbreaking - pictured left to right are as follows: Senator Jim Costa; Board Member, Stephen Todd; former Board Member, Lynn Starrett; Parent, Renee Loewen; OPSC Project Manager, Steve Paul; Board Member, Shawn Beck; Kings County Supervisor, Tony Oliveira; Board President, Jeanette Billingsley; Board Member, Don Warkentin; Board Member, Jim Ingles; and, Superintendent, Dr. Ron Meade.

Military Base Closures Impact Study

The SAB directed staff to review the impact military base closures have on school districts and subsequently report to the SAB. The SAB Implementation Committee will be discussing this issue at a future meeting. Concerned individuals are invited to participate in these discussions and your assistance is encouraged in the development of guidelines and/or regulations if it is determined to be necessary.

Groundbreaking Ceremony

On May 19, 2000, the Lemoore Union Elementary School District held a groundbreaking ceremony to celebrate the beginning of the construction of the District's new Cinnamon Elementary School, (See picture above).

Construction Cost Indices

Lease-Purchase Program Construction Cost Indices for June 2000			
Class "B" Buildings	Class "D" Buildings	Furniture & Equipment	Historical Savings Index
1.39	1.40	1.37	5.10

Class "B" Buildings - Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

Class "D" Buildings - Constructed primarily of wood.

Furniture and Equipment - An index based on an adjustment factor obtained quarterly from Marshall & Swift Company.

Historical Savings Index - An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.

Status of Funds

Per July 5, 2000 State Allocation Board Meeting

Program	Funds Available as of 5/24/00	Apportionments and Adjustments	Balance Available as of 7/5/00
Proposition 1A Cycle 1			
New Construction	\$81.2	-\$38.7	\$42.5
Modernization	\$10.3	-\$10.3	-0-
Hardship	\$28.7	-\$28.2	\$0.5
Class Size Reduction	\$237.5	*-\$17.3	\$220.2
SUBTOTAL	\$357.7	-\$94.5	\$263.2
Proposition 1A Cycle 2			
New Construction	\$1550.0	-0-	\$1550.0
Modernization	\$1300.0	-\$1300.0	-0-
Hardship	\$500.0	-\$107.4	\$392.6
SUBTOTAL	\$3350.0	-\$1407.4	\$1942.6
Prior Bonds			
Contingency Reserves	\$33.5	\$2.6	\$36.1
AB191	\$20.0	-0-	\$20.0
Northridge Earthquake	\$1.8	-0-	\$1.8
SUBTOTAL	\$55.3	2.6	\$57.9
GRAND TOTAL	\$3763.0	-\$1499.3	\$2263.7

* Transferred and apportioned \$17.3 million from Class Size Reduction to Modernization.

Note: The SAB funded approximately \$3.9 million for Deferred Maintenance Program critical hardship projects, \$170,786 for Deferred Maintenance projects and \$29,090 for air-conditioning projects

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at <http://www.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



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Advisory Actions 2000

Department of General Services
Office of Public School Construction

July 26, 2000 - Issue 08
State Allocation Board Meeting

Executive Corner

We would like to hear from you. Districts and other interested parties are encouraged to comment on the proposed regulatory changes and other developments that affect the various programs administered by the State Allocation Board (SAB). For example, two important aspects of the School Facility Program (SFP) will be discussed by the SAB at the August 23, 2000 meeting. The issues are as follows:



- A proposed requirement for the Division of State Architect review and approval of all modernization plans and specifications.
- Implementation of priority points per the requirements of Assembly Bill 562.

Issues such as these are often discussed by the SAB Implementation Committee prior to presentation to the Board. The SAB Implementation Committee meetings are open to the public and your participation is encouraged. For specific information on meeting dates, times and locations as well as a complete member list, please view "Implementation Committee" under the SAB on the OPSC Web site at <http://www.dgs.ca.gov/opsc>. We welcome your input on these issues.

Sincerely,

Luisa M. Park
Interim Executive Officer
Office of Public School Construction

Modernization Plans and Specifications Certification

In response to a growing concern with respect to the equitable disbursement of modernization funds, the SAB directed staff to:

- Prepare amendments to the current regulations and administrative processes that require review and approval from the Division of the State Architect (DSA) on all plans and specifications (P&S) for modernization funding applications under the SFP.
- Continue to accept applications for the modernization funding, but only if the P&S for all the work in the applications have been reviewed and approved by the DSA and the California Department of Education.
- Continue to maintain complete SFP modernization funding applications in the order of the date received by the OPSC. These applications will not be processed to the SAB pending the outcome of the revised regulations and administrative processes.
- Develop a modernization funding plan to present to the SAB with the proposed regulations at its August 23, 2000 meeting.

As a result of these actions, all modernization funding applications in addition to other program requirements must be submitted with a complete, detailed project cost estimate as well as P&S approved by DSA and CDE. For specific information regarding funding applications, please contact your OPSC Project Manager.

Workshops a Success

The OPSC wishes to express our sincere gratitude to all those who participated in the recently concluded workshops on SFP regulation changes. These meetings, held in various locations in the north, central and south state, provided OPSC staff with valuable insights into the unique needs of its customers. Thank you to all. Many of the questions posed at these meetings proved helpful to the OPSC staff in its efforts to better serve school districts statewide. A sample of these questions and the corresponding answers are included here for your information:

Q: Use Of Modernization Grant Funds, Section 1859.79.2 (b)(1).

What is the correct interpretation of "The grant may **not** be used for the following .new site development items with the exception of: Replacement, repair or additions to existing site development...?"

A: Modernization grant funding may be used for the repair or replacement of existing site development. It may not be used to construct new or to expand existing site development. The use of the word "additions" was intended to allow for minor expansion of **existing** site development, but only when necessary for handicapped access purposes.

Q: Are new site diagrams needed when applying for the Special Day Class (SDC) adjustment?

A: No, if the baseline has already been established and approved by the SAB.

Q: How does a school district determine the number of classrooms to report when applying for the SDC adjustment?

A: The important thing to remember when applying for the SDC adjustment is to review the original "snapshot" when the baseline was first established and then determine how many of those classrooms were designed and used for SDC. The **total** number of classrooms on the site must be the same as originally reported. Do not "update" the classroom count with facilities that have been added since the baseline was originally established.

Q: Are additional funds available for site clean-up (toxic) when a district already owns a site?

A: No, there is no additional State funding; however, the district may use a portion of the new construction grant and district matching share for site clean-up on the same site. Additionally, the district may use up to ten percent of the combined State adjusted modernization grant and the district's matching share for site clean-up on the same site if the Department of Toxic Substances Control has determined the site contains dangerous levels of hazardous substances. Refer to Regulation Section 1859.79.2.

Further, non financial hardship district may use some or all of the savings on a modernization or new construction project for site clean-up on another site if the district declares the clean-up work is a high priority capital facility project and the district's legal counsel determines that the clean-up work is a capital facility project.

Q: Can a district that received funding for a site under the Lease-Purchase Program (LPP) get additional funding for hazardous material clean-up?

A: No. New construction applications filed under the School Facility Program may not include site acquisition or related costs if the site was purchased through the LPP.



If your County Office of Education is interested in hosting an OPSC workshop at one of its countywide meetings, please contact your OPSC Project Management Region Supervisor.

Prototype School Designs on the OPSC Web

The OPSC provides an outstanding feature via its Web site that you may not have visited yet. The "Prototype School Designs" database is easily accessed by simply selecting the convenient navigational bar by the same title. The Prototype School Design database is a valuable resource of recently approved school plans; these include site plans, floor plans, construction data, school and architect contact information and construction cost detail. Districts can search these plans by a variety of criteria, including location, size, cost, and grade level. Currently, the OPSC has posted submittals from a variety of architectural firms, which include designs for elementary, middle and high schools.

How Does This Service Benefit A District?

The database is an excellent source for districts to locate school facility planning ideas and designs for plans that have received Division of the State Architect and California Department of Education approvals within the last four years. The potential benefits to districts are substantial:

- Assist districts in planning schools.
- Provides a catalogue of a wide range of projects and planning ideas in one place.
- Savings in design phase time (a reduction in design time up to one year is possible depending on the project scope).
- Savings in plan approval times.
- Advantage in obtaining competitive bids.
- Savings in total costs to construct.

We encourage you to access and use this service. If you have an innovative design that you would like to share with other school districts, please contact your Architect and encourage them to submit it to the OPSC. Instructions for an architect submittal are included on the prototype database Web page.

Facility Hardship/Demolition

Eligibility for SFP facility hardship is based on very specific criteria. It is critical that a district be aware of the following important points if it intends to file for a facility hardship under the SFP; i.e., abandonment and replacement of classrooms and related facilities:

- Facility hardships are limited to the most critical cases in which health and safety risks are clearly substantiated.
- Early involvement of the OPSC and other jurisdictional agencies is essential.
- The district must submit a formal and complete School District Appeal Request (Form SAB 189) and all supporting documentation to the OPSC in ample time for processing and to schedule an inspection of the site.
- Accomplish the above critical steps including presentation to the SAB prior to the district's proceeding with demolition.
- It is in the district's best interest to allow time for the facilities to be inspected by the OPSC prior to demolition or abandonment.

Additional facility hardship information may be accessed in the SFP Regulation Section 1859.82 and SFP Guidebook-Chapter 8, which are located on the OPSC Web page at <http://www.dgs.ca.gov/opsc>.

Customer Service

The OPSC has increased staffing to better meet the statewide needs of our customers. Expansion of services has brought about reconfigured regional assignments resulting in adjustments in county assignments where necessary. Please be assured that every effort has been made to maintain continuity between districts and their accustomed OPSC contacts. We invite districts to view the updated assignment information on the OPSC Web site at <http://www.dgs.ca.gov/opsc>.

Repayment Schedule for Amounts Due the State

In an effort to provide a payment alternative to financially qualifying districts, the SAB adopted a policy which will allow these districts to make repayments over a five year period, when funds are due the State as a result of a closeout on Lease-Purchase and Year-Round Air-Conditioning Program projects. The repayment option is available for only those districts listed on the California Department of Education List of Qualified and Negative Certifications of School Districts and County Offices of Education, or when the amount due the State would cause the district to be placed on this list. For detailed information on this repayment option please refer to the specific policy which can be located on the OPSC Web page at <http://www.dgs.ca.gov/opsc>, or by contacting Bryan Breaks at (916) 445-3156 or e-mail at bryan.breaks@dgs.ca.gov.

Construction Cost Indices

Lease-Purchase Program Construction Cost Indices for July 2000			
Class "B" Buildings	Class "D" Buildings	Furniture & Equipment	Historical Savings Index
1.39	1.40	1.38	5.17

Status of Funds

Per July 26, 2000 State Allocation Board Meeting

Program	Funds Available as of 7/5/00	Apportionments and Adjustments	Balance Available as of 7/26/00
Proposition 1A Cycle 1			
New Construction	\$42.5	-\$42.5	-0-
Modernization	-0-	-0-	-0-
Hardship	\$0.5	-\$0.5	-0-
Class Size Reduction			
Committed	\$38.5	-0-	\$38.5
Uncommitted	\$181.7	-0-	\$181.7
SUBTOTAL	\$263.2	-\$43.0	\$220.2
Proposition 1A Cycle 2			
New Construction	\$1550.0	-\$15.8	\$1534.2
Modernization	-0-	-0-	-0-
Hardship	\$392.6	-\$11.2	\$381.4
SUBTOTAL	\$1942.6	-\$27.0	\$1915.6
Prior Bonds			
Contingency Reserves	\$36.1	-\$9.3	\$26.8
AB191	\$20.0	-0-	\$20.0
Northridge Earthquake	\$1.8	-0-	\$1.8
SUBTOTAL	\$57.9	-9.3	\$48.6
GRAND TOTAL	\$2263.7	-\$79.3	\$2184.4

The SAB also funded approximately \$1.163 million for the Deferred Maintenance Program.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at <http://www.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



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Advisory Actions 2000

Department of General Services
Office of Public School Construction

August 23, 2000 - Issue 09
State Allocation Board Meeting

Executive Corner

Your input is needed. The opportunity is still available to provide new ideas and insights regarding the implementation of PRIORITY POINTS as the State Allocation Board moved final consideration of this item to the September meeting. The proposed regulatory change regarding priority points, per the requirements of Assembly Bill 562 that became effective January 2000, is likely to have a profound affect on the School Facility Program. Your ideas, suggestions and proposals are welcomed and encouraged and can be submitted by e-mail to luisa.park@dgs.ca.gov or in writing to:



Luisa Park
Interim Executive Officer
Office of Public School Construction
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Sincerely,

Luisa M. Park
Interim Executive Officer
Office of Public School Construction

are reviewed and approved by the DSA, a Consolidated Cost Estimate, Form SAB 50-07, has been jointly developed by the Office of Public School Construction (OPSC) and the DSA for this review/approval process. This form will be submitted to the DSA when the architect submits the P&S to that Agency for review/approval and to the OPSC when the district requests funding for that project from the SAB. Its immediate use is encouraged; however, it will not be formally required by the OPSC until it is approved by the Office of Administrative Law. To assure continuous processing of your application by the DSA and the OPSC, the district should complete this form and include it with its P&S submitted to the DSA beginning now. The OPSC and DSA are developing a process to transmit this form electronically between agencies.

Also, pursuant to the July 26, 2000 SAB action, staff presented a plan for certain modernization projects to be funded with uncommitted Class Size Reduction (CSR) funds. Since there are only enough CSR funds to fully fund those projects on the workload list that were received no later than April 17, 2000, consideration for funding was given only for those projects. Modernization funding needed for those projects received no later than April 17, 2000 was \$150.8 million.

All modernization applications currently on the OPSC workload list have been placed into one of the following four categories:

Category One -

Projects included in the \$150.8 million where the P&S were reviewed and approved by the DSA.

Category Two -

Projects included in the \$150.8 million where the P&S were not reviewed and approved by the DSA.

Modernization Plans and Specifications

As a result of State Allocation Board (SAB) action of July 26, 2000, staff presented amended regulations regarding the requirement that plans and specifications (P&S) for all School Facility Program (SFP) modernization projects must be reviewed and approved by the Division of the State Architect (DSA). To facilitate the application submittal process, as well as ensure that all P&S included in a modernization project

(Continued on page two)

(Continued from front page)

Category Three -

Projects exceeding the \$150.8 million where the P&S were reviewed and approved by the DSA.

Category Four -

Projects exceeding the \$150.8 million where the P&S were not reviewed and approved by the DSA.

The Board approved:

- The new Consolidated Cost Estimate (Form SAB 50-07) and the amendments to the Application For Funding (Form SAB 50-04) and directed staff to begin the regulation process.
- The transfer of \$150.8 million in CSR funds to the modernization category.
- Funding for Category One projects.
- Funding for Category Two projects as long as the DSA and the OPSC concur that the project was exempt from the DSA review/approval process.
- Revoking Category Two projects where the DSA and the OPSC do not concur that the project was exempt from the DSA review/approval process.
- Processing Category Three projects in the date order received and include them on the modernization "unfunded" list.
- Processing Category Four projects in the date order received where the DSA and the OPSC concur that the project was exempt from the DSA review/approval process and include them on the modernization "unfunded" list.
- Revoking Category Four projects where the DSA and the OPSC do not concur that the project was exempt from the DSA review/approval process.

For specific information regarding funding applications, please contact your OPSC Project Manager.

Priority Points

In response to concerns expressed by the Office of Administrative Law, proposed amendments to

the SFP Regulations which address funding priorities for new construction (NC) projects, were presented to the SAB Implementation Committee meeting on August 4, 2000. That Committee made no recommendation; however, staff provided two options and a third option submitted to the OPSC by the Los Angeles Unified School District for SAB consideration as follows:

Option #1-Sliding Scale:

Provided that Priority Points (PP) would be implemented when the requested State funding for all applications accepted exceeds funds available or the funds available for NC is \$300 million or less. Applications would be accepted when the district has completed the P&S for the project and obtained DSA and California Department of Education (CDE) approval. The PP threshold for NC projects would be determined based on a ratio of the dollar value of the applications accepted and the NC funds available. Projects with at least 190 points would always be recommended for funding.

Option #2-Quarterly Basis:

Provided that PP would be implemented when the requested State funding for all applications accepted exceeds funds available or the funds available for NC is \$300 million or less. Applications would be accepted when the district has completed the P&S for the project and obtained DSA and CDE approval. The SAB would determine a maximum amount of NC funds it would allocate each quarter based on the NC funds available and the amount of time the Proposition 1A funds were expected to last.

Option #3-"Reformed" (Los Angeles Unified School District proposal):

Provided that PP would be implemented when the requested State funding for preliminary NC applications accepted exceeds funds available. Preliminary applications would be accepted without the requirement that the district complete the P&S for the project or obtain DSA or CDE approval. The SAB would determine the level of funding based on the preliminary applications accepted and the funds available for NC.

Individuals spoke in support of each option; however, the SAB requested that the item be held over until the September SAB meeting.

Counties Education Technology Projects Report

On September 25, 1996, the SAB allocated a portion of Proposition 203 funds for specific county education technology programs.

The OPSC requested the specific counties submit progress reports on their education technology projects. Summarized information from these reports were presented for SAB review.

California Department of Education Class Size Reduction Program

Proposition 1A provided that up to \$700 million may be used to assist districts with costs associated with the Class Size Reduction Program. At the July 5, 2000 meeting the SAB committed \$501 million to that purpose. To date, the CDE has certified the need for \$464.3 million of the \$501 million, which has been transferred to the CDE by the SAB. A balance of \$36.7 million remains committed but not transferred to the CDE.

Of the \$199 million not committed for CSR out of this \$700 million, all but \$30.5 million has been transferred and apportioned for modernization projects.

Public Comment Period for Proposed Regulations

Written comments, in response to the 45-day public comment period for the proposed SFP regulations approved by the SAB on July 5, 2000, regarding excessive cost grants, must be received at the OPSC no later than September 25, 2000 at 5:00 p.m. The proposed amendment to the Regulations addresses Section 1859.83, excessive cost grants, specifically subsection (c), construction of a new "small" school project.

Written comments, in response to the 45-day public comment period for the proposed SFP regulations approved by the SAB on July 5, 2000, regarding special day class loading, must be received at the OPSC no later than October 2, 2000 at 5:00 p.m. The proposed amendment to the Regulations specifically addresses the loading and funding for Special Day Class pupils.

For further information regarding the public comment period, please refer to the August 11, 2000 and August 18, 2000 Notice of Proposed Regulatory Action that were previously sent to all districts and county superintendents of schools. For specific information regarding the Notice of Proposed Regulatory Actions, please contact Lisa Jones, Regulations Coordinator, at lisa.jones@dgs.ca.gov or (916) 322-1043.

Status of Funds

Per August 23, 2000 State Allocation Board Meeting

Program	Funds Available as of 7/26/00	Apportionments and Adjustments	Balance Available as of 8/23/00
Proposition 1A			
New Construction	\$1534.2	-\$83.9	\$1450.3
Modernization	-0-	-0-	-0-
Hardship	\$381.4	-\$45.6	\$335.8
Class Size Reduction			
Committed	\$38.5	-\$1.8	\$36.7
Uncommitted	\$181.7	-\$151.2	\$30.5
SUBTOTAL	\$2135.8	-\$282.5	\$1853.3
Prior Bond Funds			
Contingency Reserves	\$26.8	\$1.9	\$28.7
AB191	\$20.0	-0-	\$20.0
Northridge Earthquake	\$1.8	-0-	\$1.8
SUBTOTAL	\$48.6	\$1.9	\$50.5
GRAND TOTAL	\$2184.4	-\$280.6	\$1903.8

Construction Cost Indices

Lease-Purchase Program Construction Cost Indices for August 2000			
Class "B" Buildings	Class "D" Buildings	Furniture & Equipment	Historical Savings Index
1.40	1.40	1.38	5.17

Class "B" Buildings- Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

Class "D" Buildings- Constructed primarily of wood.

Furniture and Equipment- An index based on an adjustment factor obtained quarterly from Marshall & Swift Company.

Historical Savings Index- An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at <http://www.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



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Advisory Actions 2000

Department of General Services
Office of Public School Construction

September 27, 2000: Issue Number 10
State Allocation Board Meeting

Executive Corner



There is good news for those school districts and county superintendents of schools interested in filing a School Facility Program (SFP) application

for facilities to be modernized or placed upon property leased from another governmental agency. Assembly Bill (AB) 2408 was enacted with an urgency clause, effective September 19, 2000, which will enable applying for SFP funding if the applicant meets all the following conditions:

- The property is leased from another governmental agency.

- The term of the lease is for at least 40 years after approval of the SFP project, or the applicant has a lease for at least 25 years on federal property.
- The applicant district, and the facility on the leased land, if any, must comply with all laws pertaining to the construction, reconstruction, or alteration of, or addition to, school sites and school buildings.

Qualifying parties may begin filing SFP applications immediately by submitting the SFP application documents. If the district meets all the provisions of AB 2408, its certification on the *Application for Funding*, Form SAB 50-04, is all that is necessary, as the district is certifying that it complies with all laws pertaining to the construction and modernization of its school building.

It is important to note that the lease costs are not an eligible project or site acquisi-

tion cost. Additionally, AB 2408 provides that the State Allocation Board (SAB) may authorize a lesser lease term, of not less than 30 years, if it finds it in the best interest of the State. Regulation development for these possible exceptions will be addressed by the SAB in early 2001. For specific information regarding AB 2408 or filing a SFP application, please contact your project manager. Additional information is also available on the OPSC web site at <http://www.opsc.dgs.ca.gov>.

Sincerely,

Luisa M. Park
Interim Executive Officer
Office of Public School Construction

Priority Points

After a very impassioned discussion by our clients, the State Allocation Board (SAB) took action to address funding priorities for new construction (NC) projects. This action provided clear direction to staff to enable the development of the proposed priority point regulations. The proposed regulations will be presented at the October 25, 2000 SAB meeting for adoption on an emergency basis. The SAB approved the staff's recommendations, which included adopting "Option 1", with modifications outlined as follows:

- ◆ Approval of "Option 1" with alterations to reflect that:

- The NC funding applications not yet approved by the SAB are subject to priority points.
- The final priority point administration date will be based on the complete NC funding applications received and accepted by June 26, 2002. The final apportionment of funds under priority points will be made at the August 2002 SAB meeting.
- The amount of funding available on the final administration date will not be less than \$450 million.
- No priority point threshold.

- ◆ Develop a regulation that assures that districts with NC projects included on an "unfunded" list will not be

required to re-establish the eligibility for that project prior to funding and that the project will be eligible for reimbursement subject to certain developer fees adjustments and continued financial hardship status.

- ◆ The OPSC to continue to process all applications in date order received regardless of priority points.
- ◆ The SAB Implementation Committee to consider modifications to the SAB regulations for the following:
 - The calculation of priority points to include addressing the concern that it may be disadvantaging small and medium size school districts.

continued on page 2

Priority Points...

- The method of augmenting the five-year enrollment projection for development projects included in tentative subdivision maps.
 - Discontinue the funding of projects that do not house pupils when priority points are in effect.
 - The possibility to allocate construction funds for a project where the district has obtained the Division of the State Architect/California Department of Education (CDE) approval of the plans, but has not yet obtained the final CDE/Department of Toxic Substances Control approval of the site.
 - The possibility to modify the priority point calculation to add points for constructing projects with energy efficiency.
 - The possibility to exempt all County Superintendent of Schools projects that house disabled persons, both severe and non-severe.
- ◆ The SAB directed staff to continue to review the priority point calculations and implementation for the 120-day duration of the emergency priority point regulations to determine if additional modifications are necessary.

For complete details pertaining to this item, "Option 1" and the priority point calculation method, please visit the OPSC web page at <http://www.opsc.dgs.ca.gov>.

Effective Dates for SFP Apportionment Rescissions

Districts are reminded that once funds are allocated under the School Facility Program, the district has 18 months to certify:

- ◆ That its matching share has either:
 - Been deposited in the County School Facility Fund.
 - Has already been expended by the district for the project.
 - Will be expended by the district prior to the Notice of Completion for the project; and,
- ◆ That at least 50 percent of the project is under contract for the construction or modernization of the facility for an adjusted grant; or,
- ◆ That the funds are needed to place on deposit in order to secure the site acquisition for a separate site apportionment.

This certification is made on the *Fund Release Authorization*, Form SAB 50-05. It is very important to note that if your district cannot make this certification within the 18-month period, the apportionment for the project is automatically rescinded. This automatic rescission is established in law, with no provisions for a time extension. After the project's expiration date, it is the Office of Public School Construction's (OPSC) intent to formally present the project at the next available State Allocation Board (SAB) meeting *with a rescission date effective as of the date the 18 months expired*. The OPSC will *not* accept the districts' *Fund Release Authorization*, Form SAB 50-05, after the 18-month expiration date, regardless of the date the project is formally presented to the SAB. Affected school districts will receive a series of separate reminder notifications.

California Department of Education Class Size Reduction Program

Proposition 1A provided that up to \$700 million may be used to assist districts with costs associated with the Class Size Reduction (CSR) Program. At the July 5, 2000 meeting the SAB committed \$501 million to that purpose. To date, the California Department of Education (CDE) has certified the need of \$471.82 million of the \$501 million, which has been

transferred to the CDE by the SAB. A balance of \$29.18 million remains committed but not transferred to the CDE.

Of the \$199 million not committed for CSR out of the original \$700 million, all but \$30.5 million has been transferred and apportioned for modernization projects at a previous SAB meeting.

Recently Chaptered Legislation

The 1999/2000 Legislative Session has concluded, which resulted in several recently chaptered bills that will have a major impact on the School Facility Program (SFP). The Office of Public School Construction (OPSC) is currently working on developing proposed regulations to implement these changes, and we anticipate presenting regulations for the State Allocation Board's (SAB) consideration the first of next year. Although some bills are effective immediately, the OPSC is required to process regulations through the Office of Administrative Law before the legislation can be implemented. The highlighted bills are as follows:

Bill Number	Author	Effective Date	Description
AB 801	Cardenas	January 1, 2001	Provides districts in certain circumstances to receive a supplemental grant when it plans to demolish an existing single story and replace it with a multistory structure.
AB 2408	Firebaugh	September 19, 2000	Allows districts that meet certain criteria to receive SFP funding on leased properties. (Please see Executive Corner in this advisory.)
AB 2644	Calderon	September 14, 2000	Allows the SAB to provide funding for response costs for the removal of hazardous materials for districts that have not received SFP funding for site acquisition but anticipates undertaking construction on that site and applying for SFP funding.
SB 1795	Alpert	January 1, 2001	Authorizes the SAB to apportion funding from surplus bonds approved prior to Proposition 1A for a school-library joint-use project if certain requirements are met.
SB 2066	O'Connell	January 1, 2001	Adds a provision to the SFP that will authorize the SAB to impose certain penalties to districts that submit applications with material inaccuracies. Also, authorizes the SAB to transfer certain funds from the State School Building Aid Law to the SFP or to the Deferred Maintenance Program, and contains other minor program provisions.

Additionally, two bills chaptered this year, AB 1908 and AB 2659, both contain a provision that will assist school districts and community colleges in passing school bonds. These bills are contingent upon the passage of the "Smaller Classes, Safer Schools and Financial Accountability Act" at the November 7, 2000 general election that would permit the governing board of a school district or community college to pursue the issuance of bonds by a 55 percent vote of the electorate.

The OPSC will continue to provide updates on the current and pending regulations. To access this information, please visit the OPSC web page at <http://www.opsc.dgs.ca.gov>.

Use of New Construction Grants

The State Allocation Board (SAB) has become increasingly concerned at the high number of "Use of Grants" items being presented for its approval. Districts should be cautious in proceeding with design work that pre-supposes a use of grant approval, as the approval process is currently being reevaluated. Methods for the alternative housing of students in a district's "Use of Grants" housing plan is likely to fall under more rigorous scrutiny. Additionally, the SAB may discontinue approval of certain types of use of grant requests when new construction priority points are in effect.

Status of Funds

Per the September 27, 2000 State Allocation Board Meeting

<i>Program</i>	<i>Funds Available as of 08.23.00</i>	<i>Apportionments and Adjustments</i>	<i>Balance Available as of 09.27.00</i>
Proposition 1A			
New Construction	1,450.3	(127.4)	1,322.9
Modernization	0	0	0
Hardship	335.8	(104.4)	231.4
Class Size Reduction			
Committed	36.7	(7.5)	29.2
Uncommitted	30.5	0.0	30.5
Subtotal	\$1,853.3	(\$239.3)	\$1,614.0
Prior Bond Funds			
Contingency Reserves	28.7	(1.3)	27.4
AB191	20.0	0.0	20.0
Northridge Earthquake	1.8	(1.8)	0.0
Subtotal	\$50.5	(\$3.1)	\$47.4
Grand Total	\$1,903.8	(\$242.4)	\$1,661.4

Note: Amounts are in millions of dollars. Amounts within parentheses () are negative amounts.

The SAB funded approximately \$519,271 for the Deferred Maintenance Program and \$63,074 for the Air Conditioning Program.

Construction Cost Indices

Lease-Purchase Program

Construction Cost Indices for September 2000

Class "B" Buildings	1.40
Class "D" Buildings	1.40
Furniture and Equipment	1.38
Historical Savings Index	5.17

Class "B" Buildings: Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

Class "D" Buildings: Constructed primarily of wood.

Furniture and Equipment: An index based on an adjustment factor obtained quarterly from the Marshall & Swift Company.

Historical Savings Index: An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at <http://www.opsc.dgs.ca.gov>. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



Office of Public School Construction
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Advisory Actions 2000

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: October 25, 2000
Issue Number 11

Executive Corner



The Office of Public School Construction is pleased to announce that at the October 25, 2000 State Allocation Board meet-

ing, the Board apportioned nearly \$200 million in Deferred Maintenance funds providing essential funding for the benefit of students across the State of California. Throughout the State school districts and their students rely heavily on this resource for both ongoing facility maintenance and critical hardship projects. More information on this action is addressed in the adjacent article.

The Board also made apportionments under the provisions of Assembly Bill 191 and the Lease-Purchase Program from older Bond funds. Nearly \$15 million was apportioned for 21 gymnasium and multipurpose projects, providing important core facilities for various districts across the State.

Sincerely,

Luisa M. Park
Interim Executive Officer
Office of Public School Construction

Priority Points

The proposed priority point regulations presented at the October 25, 2000 State Allocation Board (SAB) meeting represented a hybrid of various proposals resulting from months of intense deliberations on this subject. The SAB granted conceptual approval of the OPSC's priority point model; accepting its mechanism and method of calculation and directed staff to also

include additional recommendations by the Board. The proposed amended regulations are to be presented at the December 13, 2000 SAB meeting for final adoption by the Board.

For complete details pertaining to the priority point calculation method, please visit the OPSC web page at <http://www.opsc.dgs.ca.gov>.

Deferred Maintenance Funding and Certification of Deposits

The State Allocation Board, at its October meeting, approved the 1999/2000 Fiscal Year Deferred Maintenance (DM) Basic and Critical Hardship funding applications in the amount of approximately \$200 million. The DM Program is funded from excess repayments from the State School Building Aid Program, certain State School Site Utilization funds, unallocated carryover from the previous year and any other funds made available by the Budget Act. The DM Critical Hardship projects must be completed within 12 months from the date of the apportionment.

To receive DM funding districts must have deposited the required funds with their county treasurer and the county must certify to the funds being on deposit. While approving the DM apportionments, the Board also approved an extension to November 30, 2000 for county treasurers to certify that their school districts have deposited the required funds for participation in the DM Program.

If a district does not deposit the maximum amount as calculated by the California Department of Education (CDE) regardless of the amount the State is able to match, Education Code (EC) Section 17584.1 requires the district's local governing board to submit a report to the Legislature by the following March 1st. The report is to include a schedule of the deferred maintenance needs for the current fiscal year and an explanation of how the district plans on meeting its current need without depositing the maximum amount calculated by the CDE. For specific information regarding the report requirements, please refer to the EC Section 17584.1.

Additionally, an updated DM Handbook, dated October 2000, has been posted on the OPSC web site at <http://www.opsc.dgs.ca.gov>. Should you have any questions concerning this program, please contact Elizabeth Dearstyne at 916.323.0073.

New Construction “Use of Grants”

At its September meeting, the State Allocation Board (SAB) voiced its increasing concern with requests for use of new construction grants. Additionally, the SAB directed the Office of Public School Construction (OPSC) to consider discontinuing approval of projects that do not primarily build classrooms to house pupils, especially while new construction priority points are in effect that will ration the balance of the limited funding to high priority projects. The SAB requested staff to review the “use of grants” criteria. The OPSC will not accept plans that include the following:

- ◆ If a district’s “housing plan” utilizes excluded portable classrooms pursuant to Education Code Section 17071.30, which were reported on its *Existing School Building Capacity* (Form SAB 50-02) when its initial new construction baseline was established, the district’s plan will be deemed unacceptable. The intent of the exclusion of certain portable classrooms was based on the premise that these classrooms were considered unsuitable to house pupils.
- ◆ If a district’s proposed project includes a request to build facilities in excess of 150 percent of the pupil capacity of the project, the district’s plan will be deemed unacceptable, as these projects are not primarily to build classrooms to house pupils.
- ◆ If a district has been approved for Financial Hardship status and its “housing plan” demonstrates a method of housing the displaced pupils which indicates utilizing funds available to the district to purchase, lease or build facilities, the district’s plan will be deemed unacceptable. These funds would be deemed available for the district project contribution.

Districts with unacceptable “housing plans” or funding requests that exceed 150 percent of the capacity of the project will be notified by a separate letter. Those districts will be given a prescribed number of days to address the issues identified in the OPSC review letter, by doing one or more of the following, as appropriate:

- ◆ Revise the district’s “housing plan”
- ◆ Reduce the pupils requested to be within 150 percent of the project capacity
- ◆ Withdraw the application
- ◆ File a *School District Appeal Request* (Form SAB 189) including the district’s justification for its appeal

For specific information regarding “use of grants” funding requests, please contact your OPSC Project Manager. Questions regarding “use of grants” appeal requests may be directed to Liz Yokoyama, Appeals Analyst, at 916.322.7627.

Hardship Funding Status Report

Faced with hardship funding resources falling dangerously below expected need, the Office of Public School Construction (OPSC), in response to the State Allocation Board’s (SAB) September directive, presented a status report on that fund and recommendations for dealing with the shortfall. The Board approved the following recommendations:

- ◆ The SAB approved the transfer of the remaining \$30.5 million of uncommitted Class Size Reduction funds, to the hardship category for the purposes of health and safety facility hardship projects only.
- ◆ Modernization funds may become available as a result of the rescission of projects not meeting the 18-month timeline required in accordance with Education Code Section 17076.10(d). Acknowledging this as a potential funding source and recognizing the critical need for hardship funds, the SAB approved a transfer to the hardship fund of the first \$59.5 million in future modernization rescissions.

A Complete Application

The importance of a thoroughly completed application submittal cannot be over-emphasized. To be sure your district is providing all items and information required for your particular application, whether Modernization or New Construction, take advantage of the application checklist, entitled “*Application Submittal Information*”, provided by OPSC on its web site (<http://www.opsc.dgs.ca.gov>).

To locate this checklist:

1. Go to the OPSC Home Page
2. Select “Programs” from the menu in the left-hand column
3. Select “School Facility Program (SB50)”
4. Select the second menu item, which is “Forms”
5. Scroll down to “Other Related School Facility Program Information”
6. Select the first bullet entitled “Application Submittal Information”

Should you have any questions or need clarification regarding the submittal of an application, please contact Selina Mulligan, Eligibility Team Supervisor, at 916.322.0290.

School Facility Program Expenditure Reports

Under Regulation Section 1859.104, school districts are required to submit an *Expenditure Report* (Form SAB 50-06), with a supporting detailed listing for each project expenditure on an annual basis, with the first report due one year following the first release of funds. A suggested format can be located on the Office of Public School Construction web site at www.opsc.dgs.ca.gov. To help expedite and facilitate the process, please be sure to submit the *Expenditure Report* directly to:

Department of General Services
Office of Public School Construction
Attn: Jesse Mendez, Audit Team
1130 K Street, Suite 400
Sacramento, CA 95814

For specific information regarding the *Expenditure Report*, please contact Jesse Mendez, Audit Team, at jesse.mendez@dgs.ca.gov or 916.322.5850.

Financial Hardship Districts/Additional Planning Funds

School Facility Program regulation Section 1859.81.1(c), which allows an increase for separate New Construction design apportionments from 20 percent to 40 percent, approved by the State Allocation Board (SAB) at its April 26, 2000 meeting, became effective on September 12, 2000. Financial Hardship districts may receive up to 40 percent design funding for new construction projects. Those districts that have previously received a 20 percent (design only) apportionment may apply for a second 20 percent apportionment as follows:

- ◆ Submit an *Application for Funding*, (Form SAB 50-04, Revised 7/00) checked only once in Section 1 for “Design Only-New Construction”.
 - ◆ The 20 percent amount will be identical to that previously received; it is not subject to current index adjustments.
 - ◆ Districts must be justified by all current requirements, *including the priority point mechanism and calculation* approved by the SAB.
 - ◆ The financial hardship approval must be within the six-month approval window.
-

Status of Funds

Per the October 25, 2000 State Allocation Board Meeting

<i>Program</i>	<i>Funds Available as of 09.27.00</i>	<i>Apportionments and Adjustments</i>	<i>Balance Available as of 10.25.00</i>
Proposition 1A			
New Construction	1,322.9	(0.8)	1,322.1
Modernization	0	0	0
Hardship	231.4	(0.5)	230.9
Facility Hardship (Reserved)	0	30.5	30.5
Class Size Reduction			
Committed	29.2	0.0	29.2
Uncommitted	30.5	(30.5)	0
Subtotal	\$1,614.0	(\$1.3)	\$1,612.7
Prior Bond Funds			
Contingency Reserves	27.4	(1.2)	26.2
AB191	20.0	(16.3)	3.7
Northridge Earthquake	0	0	0
Subtotal	\$47.4	(\$17.5)	\$29.9
Grand Total	\$1,661.4	(\$18.8)	\$1,642.6

Note: Amounts are in millions of dollars. Amounts within parentheses () are negative amounts.

Construction Cost Indices

Lease-Purchase Program

Construction Cost Indices for October 2000

Class "B" Buildings	1.40
Class "D" Buildings	1.41
Furniture and Equipment	1.39
Historical Savings Index	5.88

Class "B" Buildings: Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

Class "D" Buildings: Constructed primarily of wood.

Furniture and Equipment: An index based on an adjustment factor obtained quarterly from the Marshall & Swift Company.

Historical Savings Index: An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at <http://www.opsc.dgs.ca.gov>. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814



Advisory Actions 2000

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: December 13, 2000
Issue Number 12

Executive Corner



The Office of Public School Construction (OPSC) is pleased to announce that the resolution of the priority point issue at the December 13, 2000 State Allocation Board

(SAB) meeting has paved the way for approval of new construction apportionments. In an effort to respond quickly to this need, the SAB has called for a special meeting on January 3, 2001 with the expressed intent of approving the first quarter list of qualifying new construction projects.

Sincerely,

Luisa M. Park
Interim Executive Officer
Office of Public School Construction

Now, More Than Ever! A Complete and Accurate Application (Form SAB 50-04)

Yes, now, more than ever, a complete and accurate application is critical. Why? With priority points now in effect for new construction funding, applications received by OPSC establish date order for quarterly funding cycles and must be logged precisely as submitted. For this reason, we are encouraging districts to work closely with their project manager to ensure the accuracy and completeness of the application prior to actual submittal to the OPSC. Modifications to the form after submittal will not be possible.

This procedure must be adhered to for the following reasons:

- The Form SAB 50-04 establishes individual grant amounts requested
- The requested grant amounts are compiled and drive the workload list
- The integrity of the priority point system relies on the accuracy of this information

Some common application errors to avoid:

- It is important that only one box is checked in Section 1 of the application
- When entering a line item amount for an additional grant request for site development, be sure to also check the appropriate box for that entry
- Remember that a cost estimate must be provided to back up an additional grant request for site development (if a line item request lacks the proper back up documentation the application will be processed without that line item being given consideration for funding)

OPSC and DSA Join Forces

Design professionals and school administrators might say, "It's about time!" when they hear that the Division of the State Architect (DSA) and the OPSC are joining forces to streamline the public school construction process. For many years, these two offices have been serving the same customers with a common goal—building the best public schools for the children of California. Streamlining this process, with numerous variables in funding, design and construction is no simple task, but through a series of ongoing sessions, DSA and OPSC have committed to re-engineering this process.

We recognize that the population in California is increasing and there is an ever-increasing demand for new schools. To meet this demand, we must become more efficient. Working together, DSA and OPSC can make the most efficient use of our resources; building on our strengths and providing support to overcome our weaknesses.

Communication is an integral part of our service to school administrators and design professionals, and to facilitate this we are taking the steps to communicate with a common voice. In the coming months, you can expect regular updates on the collaboration's progress in the OPSC newsletter. Eventually, the newsletter will become a joint venture with equal participation from both offices. Having a single source of information for the public school construction process in all of its phases will benefit school districts and design professionals tremendously, especially those who are planning new schools for the first time.

Finally, we believe it is important for school construction stakeholders to have a voice in our processes. Your opinions need to be considered. We welcome your input and encouragement as this collaboration develops. Let's hear from you. [www.dsa.ca.gov or www.opsc.ca.gov]

The OPSC and DSA offices will retain their individual responsibilities and autonomy throughout the partnership, but our paramount goal will be streamlining the process of public school construction for the benefit of all California.

Proposition 39

Districts needing a resource for their 50 percent or 80 percent School Facility Program (SFP) match may find local bond funds more readily available. Due to the successful outcome of Proposition 39, approved by voters on November 7, 2000, the school bond vote requirement has been reduced from two-thirds to a 55 percent majority. Included in this initiative is the establishment of strict accountability standards for the spending and overseeing of local bond money.

New Construction "Use of Grants"

Recent concerns voiced by the SAB prompted a careful re-examination of the Use of Grants policy by the OPSC. The OPSC presented recommendations to the Board at its December 13, 2000 meeting that resulted in the following issues being referred to the Implementation Committee for input on possible regulation changes:

- Should utilization of excluded portable classrooms (Education Code 17071.30) be deemed an acceptable "housing plan" alternative?
- Should "use of grants" requests for pupil grants that exceed 150 percent of the pupil capacity of the project be approved while priority points are in effect?
- Should a "use of grants" request by a district approved for financial hardship status be approved when its "housing plan" contains a method of housing pupils which utilizes funds available to the district for contribution to the current project?

In the interim, all requests for "use of grants" will be handled on a case-by-case basis. Districts are advised that "use of grants" approvals are NOT a guarantee, and districts are encouraged to proceed with caution when planning projects.

For more information regarding "use of grants" funding requests, please contact your OPSC Project Manager. Questions regarding "use of grants" appeal requests may be directed to Mike Salyer, Appeals Analyst, at (916) 445-2615.

New Form SAB 50-07, Consolidated Cost Estimate

Although the Form SAB 50-07, *Consolidated Cost Estimate*, is pending regulation approval at the Office of Administrative Law, districts are strongly encouraged to use it in its draft format as found on the OPSC web page. Very soon this form will be required prior to acceptance of any application to the SFP. The Form SAB 50-07 was developed to ensure that plans and specifications are reviewed and approved by the DSA prior to the application's acceptance by the OPSC.

This is a dual use form that will be required by both the OPSC and the DSA. For more complete information and downloading of the Form SAB 50-07, go to the OPSC Web page at www.opsc.dgs.ca.gov.

Priority Points Instituted/Case Closed

On December 13, 2000, the principal parties in the [Godinez v Davis](#) litigation were able to resolve policy differences which had prompted the filing of a lawsuit against the State of California. The lawsuit focused on the manner and method by which the SAB dispensed new school construction funds authorized by Proposition 1A.

As a result, the SAB adopted regulations that fund all new school construction projects on a funding priority point basis. The SFP regulations will be revised to allow a school district to resubmit student enrollment figures on a district-wide basis for the purpose of determining eligibility and funding priority. The SAB also approved a quarterly allocation method of disbursing Proposition 1A new school construction funds, with \$450 million held until July 2002.

The SFP new construction workload list will be modified to report the projected priority points for those projects that will be considered for funding in the first quarterly allotment. To locate this information and for complete details pertaining to the priority point calculation method, please visit the OPSC Web page at www.opsc.dgs.ca.gov.

CBEDS Enrollment Reporting: Change in Reporting Timelines

Enrollment reporting for purposes of establishing eligibility in the SFP is based on the California Basic Educational Data System (CBEDS) information. Historically, the OPSC has accepted funding applications based on this source of enrollment received as late as December 31st of each year. The OPSC will continue to allow this reporting timeline through December 31, 2000. However, SFP regulations will require an earlier enrollment reporting cut-off date beginning next year. Please look for detailed information on this in upcoming advisories.

Contractor’s Registration Program - ASBESTOS

Effective January 1, 2001, all those doing work on projects related to asbestos should contact the Division of Occupational Safety and Health, Department of Industrial Relations for appropriate registration requirements. The OPSC is no longer registering Asbestos Hazard Emergency Response Act (AHERA) accredited inspectors, management planners, project designers, abatement contractors, supervisors or workers.

Information about registration can be obtained by calling (415) 850-5191, e-mail via www.dir.ca.gov/DOSH/Asbestos.html or by writing to either:

Division of Occupational Safety and Health
Department of Industrial Relations
P. O. Box 420603
San Francisco, CA 94142

Division of Occupational Safety and Health
Department of Industrial Relations
455 Golden Gate Avenue, Room 5227
San Francisco, CA 94142

Abatement contractors must also be licensed with the Contractor’s State License Board (CSLB) of the Department of Consumer Affairs. Information on CSLB requirements can be obtained by calling 1-800-321-2752 or by writing to:

Contractor’s State License Board
Department of Consumer Affairs
P/ O. Box 26000
Sacramento, CA 95827

Status of Funds

Programs	Funds Available as of 10/25/00	Apportionment and Adjustments	Balance Available Available as of 12/13/00
Proposition 1A			
New Construction	1322.1	0.6	1322.7
Modernization	0.0	0.0	0.0
Hardship	230.9	0.0	230.9
Facility Hardship (Reserved)	30.5	0.0	30.5
Class Size Reduction			
Committed	29.2	0.0	29.2
Uncommitted	0.0	0.0	0.0
Subtotal	1612.7	0.6	1613.3
Prior Bond Funds			
Contingency Reserves	26.2	10.2	36.4
AB 191	3.7	0.0	3.7
Northridge Earthquake	0.0	0.0	0.0
Subtotal	29.9	10.2	40.1
Grand Total	1642.6	10.8	1653.4

Note: The SAB funded approximately \$231,483.00 for the Deferred Maintenance Fund

Construction Cost Indices

Lease-Purchase Program Construction Cost Indices for December 2000	
Class “B” Buildings	1.40
Class “D” Buildings	1.40
Furniture and Equipment	1.39
Historical Savings Index	5.88
Class “B” Buildings: Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.	
Class “D” Buildings: Constructed primarily of wood.	
Furniture and Equipment: An index based on an adjustment factor obtained quarterly from the Marshall & Swift Company.	
Historical Savings Index: An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.	

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at <http://www.opsc.dgs.ca.gov>. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



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